Managing Your New Timber Tenure

An Administrative Guide
For First Nations and Other BC Communities
Who Have Been Invited to Apply for Tenures
Under the Forestry Revitalization Initiative

Version 2

September 9, 2005

Please Note

This document is intended to provide community representatives with an introduction to BC's timber tenure system. The complex nature of forestry legislation, regulations and tenure agreements prevents their complete condensation into a summary format. Legislation, regulations and your agreements with government will need to be referenced when determining your specific rights and obligations.

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Staff from the Coast Forest Region Tenures Section and the Chilliwack Forest District directly assisted in the production of this guide. The guide also utilizes pre-existing information and material owned by the Province of BC including material prepared by or for:

- Coast Forest Region
- Compliance and Enforcement Branch
- Chilliwack Forest District
- Economics and Trade Branch
- Mackenzie Forest District
- Resource Tenures and Engineering Branch
- Revenue Branch

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Part 1 Introduction

The guide is for:

First Nations and other BC communities who have been invited to apply for a:

- Non-Replaceable Forest Licence,
- Forestry Licence to Cut,
- Woodlot Licence, or
- Community Forest Agreement

The guide covers:

How to obtain and manage your new timber tenure; addressing:

- BC's timber tenure system
- The licence and permit process
- Operational & business considerations

Use the guide to:

- Learn the basics (Part 2)
- Assemble your team (Part 3)
- Plan as a business (Part 4)
- Enter into the agreement (Part 5)
- Know which permits are needed (Part 6)
- Plan your operations (Part 7)
- Get more information (Part 8)

1.1 Who Should Use This Guide and What is Covered

This administrative guide has been developed by the Coast Forest Region for the First Nations and other BC communities who have been invited to apply for any of the following timber tenures under the province's Forestry Revitalization Initiative:

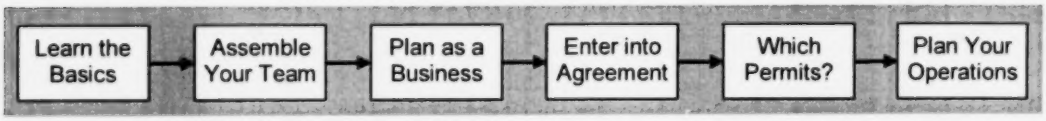
- Non-replaceable Forest Licence
- Forestry Licence to Cut
- Woodlot Licence
- Community Forest Agreement

This guide offers information and advice about how to obtain and manage your new timber tenure. It describes the administrative framework and processes for the above tenures. The guide also gives a brief introduction to the operational and business aspects of operating a timber tenure.

1.2 How to Use This Guide

This guide is intended to be a road map that can help you navigate the sometimes complex world of BC forestry. Like any road map, this guide can be used to obtain a quick overview of new terrain or it can be analyzed in detail to determine the best way to get where you want to go.

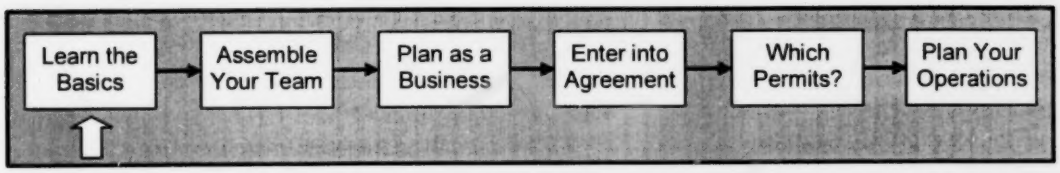
Each Part starts with an overview of key points that the Coast Forest Region would like you to be aware of. Make sure you examine these overviews and take note of any topics that you need to learn more about. Then read through each section focussing on those topics and skipping over sections that are too detailed for your current needs. After you move into a new phase of managing your new tenure, your information needs will change so you should return to this guide to get more details.



- **Make sure you are aware of the basics.** Part 2 introduces BC's timber tenure system and the forest management activities that are required when you hold a timber tenure.
- **Assemble your forest management team**. See Part 3 for suggestions on who should be on your forest management team to get the tenure up and running. This part also recommends establishing good working relationships with government agencies, potential partners, adjacent licensees and stakeholders.
- **Plan to run your tenure as a business.** Part 4 suggests that before starting up your timber tenure, your team should consider community expectations and then look closely at your expected costs, revenues and risks. A realistic business plan is the next step for your forest management team.

- **Obtain your licence and an operating area.** Part 5 lists the typical steps involved in obtaining the actual licence and securing an area to operate in.
- **Know which permits you need and how to get them** by reading Part 6. The licences discussed in this guide all require a cutting permit before logging is authorized and a road permit before you can build access roads. Other permits may be needed for special circumstances. Various permits have pre-requisites such as operational planning and submission of appraisal data.
- **Get operational plans in place.** Use Part 7 to help you plan ahead to be successful in your operations. Some plans are required by forest practices legislation before you can get permits to build roads or log. Other plans may be only for your use to handle operational logistics. Both types of plans are time-consuming but good planning can keep control of costs and improve profits.
- **Find help and more information** by using the resources in Part 8.

Part 2 The Basics



Timber Tenure System

- Forest Act & regulations
- Forest and Range Practices Act & regs
- Other legislation
- Harvest Regulation Framework (AAC)
- Forms of agreements
- Government policies

Forms of Timber Tenure

- **forest licence**
- **licence to cut**
- timber sale licence
- timber licence
- free use permit
- road permit
- **community forest agreement**
- **woodlot licence**
- tree farm licence
- community salvage lic.
- Christmas tree permit

Tenure Variations

- Exclusive vs Non-Exclusive rights
- Cutting Authority
- Replaceable vs Non-Replaceable
- Major Licence
- Road Permits and Road Use Permits

Licence versus Permit

- Licence grants harvest rights within a management unit subject to conditions.
- Cutting Permit under licence authorizes harvest on a specific area; links to stumpage, cut control & forest practice requirements.
- Road Permit allows industrial use of road and may authorize cutting and construction.
- Special Use Permit allows forestry-related use of Crown Land not authorized by another permit.

Administrative Activities

Licence:

- Term, extension, replacement
- Deposits & Annual Rent
- Pay stumpage & waste
- Cut Control
- Management Plan (CFA & WL)

Cutting Permit:

- Application/appraisal
- Timber mark & scale site designation
- Notification and reporting

Road Administration:

- Obtain permits, monitor maintenance

Operational Activities

- Forest stewardship plan / Forest development plan / Woodlot licence plan
- Site plans
- Timber cruise and cutblock layout
- Road design, construction, maintenance and deactivation
- Logging, hauling and scaling
- Cleanup, waste assessment
- Log sales
- Reforestation, surveys and tending

2.1 The Timber Tenure System

In British Columbia, where 94 per cent of the land is owned by the public, the timber tenure system plays a significant role in addressing government objectives.

The term "timber tenure system" refers to the collection of legislation, regulations, contractual agreements, permits and government policies that define and constrain a person's right to harvest the province's timber. The term "timber tenure" is commonly used to describe the agreement between a company and the government which grants rights to harvest a specified volume of timber. A wide variety of timber tenures are in place, reflecting the diverse objectives for forest use that have been pursued since the early 1900s.

The timber tenure system is administered by the Ministry of Forests and Range and reflects the purposes and functions of the ministry as outlined in the *Ministry of Forests Act*:

- encourage maximum productivity of the forest and range resources in British Columbia;
- manage, protect and conserve the forest and range resources of the government, having regard to the immediate and long term economic and social benefits they may confer on British Columbia;
- plan the use of the forest and range resources of the government, so that the production of timber and forage, the harvesting of timber, the grazing of livestock and the realization of fisheries, wildlife, water, outdoor recreation and other natural resource values are coordinated and integrated, in consultation and cooperation with other ministries and agencies of the government and with the private sector;
- encourage a vigorous, efficient and world competitive timber processing industry in British Columbia;
- assert the financial interest of the government in its forest and range resources in a systematic and equitable manner.

2.1.1 Legislation

Forest Act

The *Forest Act* and its regulations provide the structure for the tenure system, setting out:

- the forms of agreement for selling Crown timber and the factors that must be considered when this occurs
- the rights and obligations of each form of agreement
- rules about the administration of tenures such as cut control and payments

Forest practices legislation

The *Forest and Range Practices Act* (often referred to as FRPA) and its regulations set the requirements for planning, road building, logging, reforestation, and grazing activities. FRPA and its regulations took effect on January 31, 2004.

Since 1995, the *Forest Practices Code of British Columbia Act* and its regulations set requirements regarding forest planning and operations for roads, timber harvesting, reforestation and other activities. When FRPA was implemented, much of Forest Practices Code was repealed. However, to allow a smooth transition, some aspects of the Forest Practices Code, notably the use of forest development plans, were allowed to continue during a transition period. See section 7.2 for more information about operational plans and the transition to FRPA.

In this guide, the term "forest practices legislation" refers generally to the *Forest and Range Practices Act* and/or the *Forest Practices Code of British Columbia Act.*

Other Acts

Although FRPA may be the most directly applicable to timber tenure operations, many other Acts of legislation can affect timber harvesting. These include the *Fisheries Act*, the *Water Act*, the *Wildlife Act* and *Wildfire Act*.

2.1.2 Regulating the Harvest

Central to the functioning of the timber tenure system is the manner in which permissible harvest rates are determined, distributed among operators and monitored.

The maximum rate of harvest is determined for each management unit. The Chief Forester is responsible for determining the allowable annual cut (AAC) for the larger management units in the province; 37 timber supply areas and 34 tree farm licences. Woodlot licences and community forests are smaller units with their own harvest rates determined through a management plan process.

Once the AAC is determined for a timber supply area, the volume is distributed or "apportioned" by the Minister of Forests among various forms of agreement that share rights within the timber supply area. If the volume apportioned to a form of agreement is already fully committed to that form of agreement, no new licences of that type would be considered. Where volume is apportioned but not fully committed, new tenure opportunities may be offered. Another source of new tenures is undercut from licences that did not utilize the volume available to them during their cut control period.

2.1.3 Forms of Timber Tenure in BC

Crown timber can only be harvested under authority of the *Forest Act*. The Act specifies 11 forms of agreements:

- **forest licence**
- **licence to cut**
- timber sale licence
- timber licence
- free use permit
- **road permit**
- **community forest agreement**
- **woodlot licence**
- tree farm licence
- community salvage licence
- Christmas tree permit

The first four agreements in the above list (shown in bold) are the types of tenure that could be offered through direct invitation and are described in more detail in this guide. Although there are several forms of licence to cut, only the "forestry licence to cut" will be addressed in this guide. Road permits (&/or road use permits) are required by most licensees to access timber and will also be addressed in this guide.

Exclusive versus non-exclusive rights

Harvest rates determined for woodlot licences, community forest agreements and tree farm licences are exclusively available to the agreement holder subject to any provision in the agreement or legislation that allows other licences to be issued. Many tree farm licences have a specific volume dedicated to timber sale licences. Forestry Revitalization has also resulted in licences being offered in tree farm licences.

A non-replaceable forest licence (and a forestry licence to cut that provides for cutting permits) provides a non-exclusive right to harvest in a management unit. These licences grant rights to a maximum volume of harvest which constitutes a portion of the total AAC available within a management unit.

Cutting Authority

If you were the successful bidder in a timber sale licence competition, you would receive the authority to cut a specific area of timber as part of your timber sale licence. However, the types of licences that First Nations and communities are being invited to apply for do not include cutting authority with the licence. Like all forest licences, community forest agreements, woodlot licences and tree farm licences, your agreement allows the agreement holder to apply for cutting authority in the form of a cutting permit. If the agreement holder meets all of the conditions of the licence, including the planning requirements of the Forest Practices Code and the *Forest and Range Practices Act*, the Ministry of Forests and Range must issue a cutting permit.

Replaceable versus Non-Replaceable
Forest licences, tree farm licences, community forest agreements and woodlot licences may specify in the document that they are replaceable under provisions in the *Forest Act*. Replaceable tenures generally have terms ranging from 15 to 25 years to encourage investment and long-term forest management. The replacement provision allows the licence to be periodically updated or replaced mid-term so they can reflect current government policy. Non-replaceable forest licences, (such as those offered under Forestry Revitalization); will expire at the end of the term.

Licence Silviculture Obligations
The obligation to reforest harvested areas with a free-growing crop of trees is a requirement of all licences offered to date in Forest and Range Agreements, as well as probationary community forest agreements.

The legislation does not provide any option to avoid this obligation in advance. Licensees become obligated as soon as they begin harvesting the area. The legislation does allow licensees to apply to transfer the reforestation obligation to another person or to the Ministry of Forests and Range but an approval decision takes place after the licensee incurs the obligation. (Typically, the Ministry of Forests and Range does not take over reforestation obligations).

2.2 Licence and Permits

2.2.1 The Role of the Licence

A licence or agreement authorized under the *Forest Act* is a contract between the holder and government specifying harvest rights, administrative requirements (replacement, cutting permits, waste) and obligations (stumpage, deposits, reporting). Licences are restricted to a timber supply area, tree farm licence or a specific area described in an Exhibit A map. (See Section 5.4.1 for a more detailed description of the licence document.) Agreements that provide for cutting permits do not provide any cutting authority within the licence. Cutting authority must be provided by a cutting permit or road permit. Most forest practices obligations in FRPA are related to the use of permits.

2.2.2 The Role of the Cutting Permit

The cutting permit provides the authority to exercise a licence's harvesting rights on a specific area of land. The cutting permit:

- Identifies the cutblock(s) authorized for harvesting on a map attached to the permit (referred to as Exhibit A)
- Has a term of 4 years or less (normally at the applicant's discretion)
- Identifies the timber mark to be used as identifier of log ownership and area of origin.
- Specifies whether stumpage will be calculated based on the cruise or scaled volume.

- Authorizes construction, maintenance and use of "in-block" roads.
- Specifies any timber that may not be harvested in the permit area. (Timber within a cutting authority area that is reserved from harvesting is typically a riparian reserve or some other forest practices requirement.)

2.2.3 The Role of the Road Permit

A road permit authorizes road construction and/or use and maintenance and may authorize timber harvesting if Crown Timber must be cut for construction. Road permits are associated with licences for recording cut control volumes but the underlying right to the permit is granted by legislation, not the licence.

The road permit:

- Defines the legal area of interest (Exhibit A map)
- Sets the effective date when the holder has the rights.
- Identifies the timber mark(s) to be applied to timber removed from the cutting authority area.
- Defines the rights granted (road construction and/or use and maintenance and/or timber harvesting).
- Specifies any timber that may not be harvested in the permit area (reserved timber).

A road permit provides ongoing authority for industrial use but not exclusive use. The public and other industrial users can use the road that is under road permit. Other industrial users may need to share maintenance costs.

If an industrial user needs to use a road that is a "forest service road" (a road designation under the *Forest Act*), that user may need to obtain a road use permit from the Ministry of Forests and Range. (See additional information about road permits and road use permits under section 6.2.)

2.3 New Policy Directions

"Results based" legislation, due diligence, and professional reliance
The *Forest and Range Practices Act* is considered "results based" legislation in that the desired result or objective is defined in the legislation but there is no legislated direction given to the licensee on how to achieve the result. It is up to the licensee to determine how they will achieve the result.

There are two concepts that are particularly important in how FRPA functions. The first is the legal concept of **due diligence.** Due diligence is the level of judgement, care and activity that a person would reasonably be expected to exercise under particular circumstances.

Part of being duly diligent is to be sure that competent people are responsible for carrying out forest management responsibilities. An important component of ensuring competence, and the second key element in how FRPA functions, is **professional reliance.** FRPA relies in part

upon **registered professionals** and registered forest technologists to apply good judgement and act in the interests of the environment and public.

Registered professionals include Professional Agrologists (PAg), Professional Engineers and Geoscientists (P.Eng, P.Geo.), Registered Professional Biologists (RPBio's.), and Registered Professional Foresters (RPF). These registered professionals and registered forest technologists belong to regulatory bodies that establish standards of conduct, standards of practice and disciplinary processes. This is often referred to as **professional accountability.**

Compliance and Enforcement
Compliance and Enforcement (C&E) staff in the Ministry of Forests and Range protect the Crown's revenue interests and the environmental values as described within the legislation. The standards for environmental values are established through practice regulations and through the licensee's forest stewardship plan results and strategies.

Protecting the Crown's revenue interest is a fundamental role of the Ministry's C&E and scaling programs. Once the road is built and/or trees are logged, then C&E will compare the as-built and as-logged facts to the appraisal data to inspect for compliance with section 105.1 of the *Forest Act*.

The move to the *Forest and Range Practices Act* envisions allowing licensees and permit holders the freedom to manage within the area defined by the cutting/road authority as long as they remain compliant with the regulations and/or their forest stewardship plan. However, the *Forest and Range Practices Act* does have an extensive range of penalties for breaches of the Act and regulations. Penalties range from $2,000 to $1,000,000. Different contraventions have different maximum amounts. In some circumstances a person contravening FRPA may also be sentenced to a jail term.

2.4 Forest Management Activities

2.4.1 Licence Administration

Maintaining your licence in good standing is essential for uninterrupted timber harvesting rights. A licence that is under suspension or expired prevents use of permits and improvements while continuing the obligations incurred under the licence.

Term, extensions, replacement
Licences have an effective date and an expiry date. Licence-specific wording needs to be examined to determine if the licence allows or prevents extensions or replacements.

Deposits and Annual Rent
A deposit must be provided at the time of application and maintained until the expiry of the licence. The deposit is then refunded if obligations under the licence have been fulfilled.

Non-replaceable major licence holders may also be required to provide government with a silviculture deposit for outstanding silvicultural liabilities.

Annual rents must be paid prior to licence execution and yearly thereafter in accordance with the Annual Rent Regulation.

Refer to section 5.3.3 of this guide for more information on deposits and rent.

Payment of stumpage and waste
Any timber harvested under a licence's cutting permit or a road permit associated with the licence will be scaled. The scale will result in an invoice for stumpage, sometimes called an S&R billing, (stumpage and royalty). Any timber that was under permit and could have been harvested but, at the licence holder's discretion was not, may be assessed as waste and billed.

Cut Control
Timber volumes from scale or waste data that meet the timber specifications in the licence will be charged to the licence's cut control. Amendments to the *Forest Act* and the Cut Control Regulation provide greater flexibility to harvest the licence AAC anytime within a cut control period. There are no penalties for undercutting. Maximum limits for AAC bearing licences apply over a cut control period (typically 5 years) or licence term if an AAC is not specified. Although there is no undercut penalty, there is no longer an option to apply for undercut carryforward. Any undercut at the end of the cut control period will be forgone. Most licences resulting from Forestry Revitalization will only have a 5 year term and therefore may have only one cut control period. The licence holder should make themselves familiar with the cut control and/or maximum volume specified for their licence.

2.4.2 Cutting Permit Administration

A cutting permit is the document that provides cutting authority. It can only be applied for after planning requirements of the *Forest and Range Practices Act* have been met. Section 6.1 of this guide describes the cutting permit in more detail. Administrative activities include:

- Cutting permit application (Maps, compiled cruise and other appraisal data)
- Cutting permit term (track start and expiry dates; consider extension?)
- Timber mark (ensure staff and contractors know the timber marking requirements)
- Scaling (make arrangements for scaling and scale site designation)
- Stumpage billings (track volumes scaled to check billings)
- Waste assessments (arrange to have blocks assessed for waste as required)
- Notification and reporting requirements

2.4.3 Road Administration

A tenure holder will need to determine how they will access the timber to be harvested. Depending on the physical and legal status of the road, the tenure holder may have a number of activities to administer:

- Plan and design any road construction in accordance with the *Forest and Range Practices Act*.
- Obtain authorization in the form of a road permit or road use permit or give notice and make arrangements with another permit holder.
- Get the right of way cleared and build the road sub-grade in advance of hauling (usually the year before).
- Finish construction and then maintain the road, including bridges, culverts, fords, etc. while it is being used.
- Negotiate maintenance charges if other industry is using the road.

Note that a road authority does not actually expire. The person with a road authority carries a road liability until it is deactivated or transferred to another user. (See the section on Logging Road Administration for more information.)

2.4.4 Planning Requirements

Management plans
Management plans are required for community forest agreements and woodlot licences prior to the licence being issued and periodically thereafter. Management plan content varies by licence but generally includes:

- guiding principles,
- proposed management objectives, and measures to meet those objectives, and
- a proposed allowable annual cut for the licence area;

A woodlot licence management plan must also include forest inventory information.

Business plans
Applicants for a community forest agreement may be required to provide a business plan that addresses certain topics specified in the Community Tenures Regulation. Business planning is also generally discussed in this guide as a recommended internal activity for all tenure types.

Strategic plans
Higher-level strategic plans may exist for the area of proposed harvesting. Tenure holders should contact staff in the Ministry of Forests and Range to determine which strategic plans exist and how they may affect operational planning. In some cases, there are plans which do not have mandatory requirements but still contain valuable information and expert recommendations.

Operational plans
Before cutting or road authorities can be issued, timber harvesting and road operations need to be identified in:

- a forest development plan that is in effect under the Code (during the transition period)
- a forest stewardship plan that is in effect under FRPA
- a woodlot licence plan (woodlot licences only).

See section 7.2 for more information about operational plans and the transition from the Code to FRPA.

Except in prescribed circumstances, the holder of a forest stewardship plan must prepare a site plan for any cutblock or road before the start of any timber harvesting. Site plans provide the approximate locations of road(s) or cut block(s) and require other resource information as detailed in legislation and regulation.

2.4.5 Practice Requirements

In addition to the requirement to follow operational plans, the *Forest and Range Practices Act* and the Forest Planning and Practices Regulation list specific practice requirements for:

- Protection of the environment
- Soils
- Forest health
- Free growing stand requirements
- Riparian areas
- Water quality
- Biodiversity
- General Wildlife Measures and Resource Features

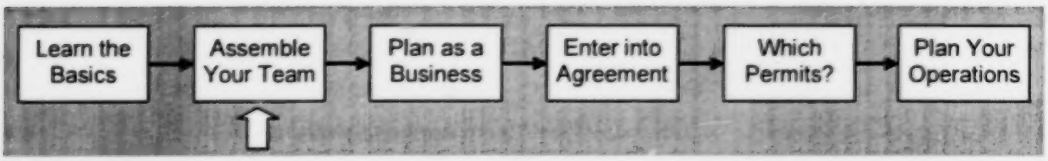
Note that these practice requirements are in addition to the measures in an operational plan that address values such as cultural heritage and visual objectives.

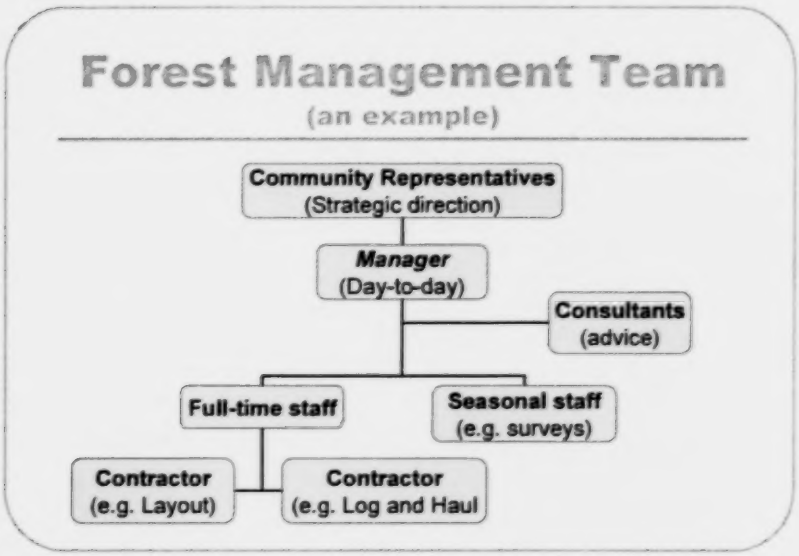
2.4.6 Woodland Operations

Staff or contractors will need to be assigned to supervise and/or conduct:

- Timber cruise (a measured estimate of timber volume and other appraisal data)
- Layout of cutting boundaries
- Road Design, Layout, Construction, Maintenance and Deactivation
- Logging, hauling, scaling and log sales
- Cleanup and waste assessment
- Surveys & Reforestation
- Tending until the new trees are freely growing with little risk of being taken over by brush. (There are specific criteria for determining "free growing" status.)

Part 3 Your Forest Management Team





3.1 Strategic versus Day to Day Direction

Since the tenures being offered under the Revitalization Initiative are for First Nations and other BC communities, there may need to be a community group that can provide strategic direction on the business of operating the timber tenure.

The business of running the day to day operations can be technical and complex so the community group may want to have **one or more managers** that can become knowledgeable and available for planning and direction of activities.

3.2 Staff and/or Outside Help

Hiring full-time staff for all activities may be inefficient for a relatively small timber tenure. Your business plan should examine the tasks that need to be accomplished and the required expertise for each before deciding on the best mix of staff, consultants and contractors. Refer to Part 8 for contact information.

3.2.1 Consultants

Consultants are typically technicians or professionals with specialized expertise. They are a good choice when you need expert advice for a specific situation. Consultants can also take on the role of a contractor if you need their expertise to do a specific task at pre-determined costs and timeframe.

3.2.2 Contractors

A contractor is normally engaged to carry out a specific task or phase at a pre-determined cost as set out in a written contract with clear deliverables and deadlines. Contractors can be used to do a specific task like a timber cruise or multiple phases such as a full-phase contractor that builds roads, logs and hauls (stump to dump).

3.2.3 Training

Institutions and consultants can provide training for your managers or staff. For example, Malaspina University College has offered a course on the type of topics introduced in this guide. Consultants can be asked to provide customized group or one-on-one training.

There are also Community Future Development Corporations located throughout rural British Columbia. They offer a variety of entrepreneurial programs, business counselling, loan programs and business information to community members interested in expanding or starting their own businesses. Refer to Part 8 for contact information.

3.3 Relationships

3.3.1 Relationships with Government Agencies

Managing a forest licence involves working with a number of government agencies as plans are developed and permits are applied for.

The **BC Ministry of Forests and Range,** Field Services Division (also referred to as the BC Forest Service) is the primary agency that licensees work with. Staff in the Ministry of Forests and Range issue permits, review and approve plans (FSP & MP) and conduct inspections. The Ministry of Forests and Range is also a source of information and advice; although they do not have a mandate to provide significant extension services.

Ministry of Forests and Range
There are three levels to the Ministry of Forests and Range.
Refer to Part 8 for contact information.

The **Forest District** is the local level where most operational activity takes place. The district manager has been delegated to make a number of decisions on behalf of the minister, including the approval of forest stewardship plans and making administrative penalty decisions.

The **Forest Region** takes in a number of forest districts. The forest region assists forest districts, coordinates activities between forest districts, and provides a number of specialized services, such as research to the districts and the public generally. Some aspects of licence management are a regional responsibility, including the setting of stumpage rates and the tracking of cut control performance.

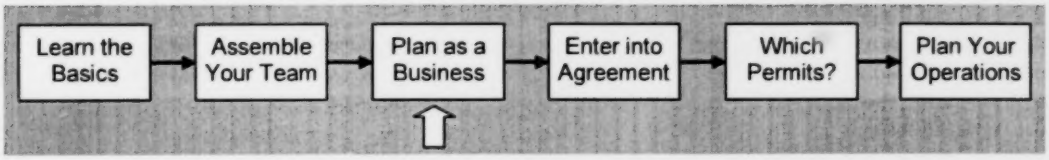
Headquarters includes the Minister, senior management levels of the ministry and specialists in the various ministry programs. Headquarters is responsible for the overall performance of the ministry, including the establishment of policy direction and the development of legislation.

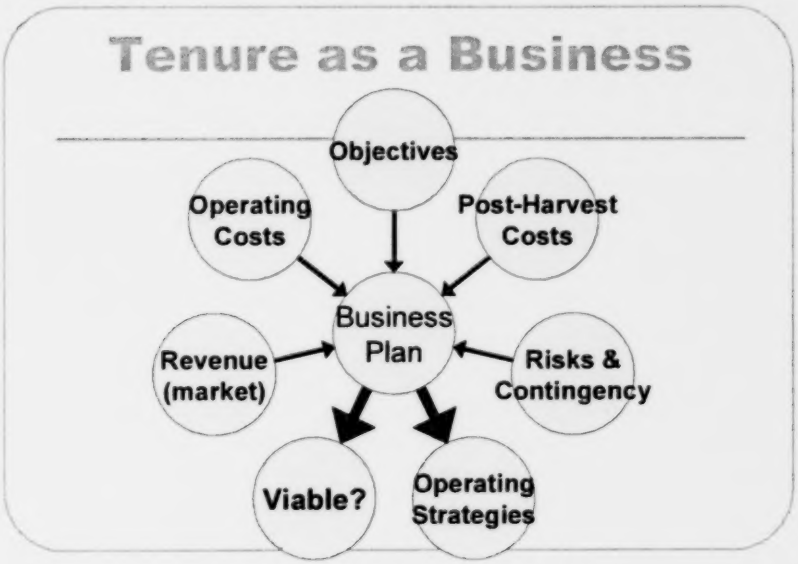
3.3.2 Relationships with Industry

Other tenure holders can be either potential partners or competitors depending on the opportunities that players see for working together.

Mills and independent log buyers/traders are where most of the logs will sent. Although they are going to look out for their own financial interests first, good relationships can improve communications and increase opportunities.

Part 4 Your Tenure as a Business





4.1 Costs

4.1.1 Start-up costs

Rents and security

Annual rent and the initial security deposit are relatively minor costs. But they are known fixed costs that can easily be included in any financial projection.

Licensees with free growing obligations may also be required to provide a silviculture security deposit for future silvicultural obligations associated with areas as they are harvested. This can accumulate to a large amount over several years. The amount of the security necessary may be determined by the district manager after harvesting occurs. The method of determining the deposit and the rules for releasing it should be well understood and built into any financial projections.

Note that sections 29.1 and 30 of the *Forest and Range Practices Act* provide options for transferring reforestation obligations to third parties or the Ministry of Forests and Range. Note that these are discretionary options that the Ministry is not obliged to agree with. The tenure holder must recognize that they will have to incur the reforestation obligation as soon as they harvest. Transferring obligations might be possible but it is unlikely that the tenure holder will be able to get solid commitments prior to harvest.

4.1.2 Operating costs

Major licence costs can be broken down into 6 broad groups:

1) Administration (decision makers, any permanent staff, contract managers)
2) Planning (forest stewardship plan, landscape planning, assessments)
3) Pre-harvest forestry operations ("Cutting Permit acquisition")
   - cut-block reconnaissance, cruising
   - site plan development
   - block and road design and lay-out
   - appraisal and cutting permit submission
   - set up road building and logging contracts
   - road construction and maintenance
   - seedling order
4) Harvest phase
   - logging contract and contract supervision,
   - road maintenance
   - stumpage
5) Post-harvest obligations
   - post-harvest assessments
   - reforestation obligations
   - road obligations
6) Liability contingency
   - reaching free to grow
   - plan for risk of statutory breach

4.2 Log Sales = Revenue

Although community use of timber is an option, most of the logs harvested from your tenure will likely end up being sold to a medium to large sawmill. This section looks at the forest products industry to help you understand the market forces affecting your potential revenue. (Export outside of BC of logs from Crown forests is restricted but possible in some circumstances. See www.for.gov.bc.ca/HET/Export/index.htm for more information).

4.2.1 The BC Forest Products Industry

The BC forest products industry is composed primarily of sawmills and pulp and paper mills; both of which are designed primarily to utilize softwood (coniferous) species.

The coastal industry is less than half the size of the interior industry. But it produces more of the higher valued products such as flooring, door frames and laminated products. Coastal timber is more varied as well; more than 40 percent of the harvest is hemlock and balsam and roughly a quarter each of cedar and Douglas-fir. Interior BC production is 80 percent whitewood – (spruce, pine and balsam fir undifferentiated) – in dimension lumber markets.

On both coast and interior, the majority of timber is initially processed through a saw mill with residual chips shipped to pulp mills for pulp and paper production. The bark, sawdust and fine shavings that were once unrecoverable and burned as waste are increasingly being used as fuel for power generation.

The following table shows the average log recovery in BC lumber mills. Note that less than half the original log volume is converted into lumber:

Average Recovery in BC Lumber Mills	
Lumber	46%
Chips	39%
Sawdust and shavings	15%

4.2.2 Market realities

The international market for primary forest products – lumber, pulp and paper, panel products – is about 2 billion m^3/year. British Columbia's production is about 80 million m^3/year, or about 4% of the world's production.

BC forest products companies sell into an international market place in which the price is largely out of their control. BC forest products companies are thus "price takers." Being a 'price taker" means that business success is determined by how well the company can control costs.

Since mills are price takers and milling costs are essentially fixed, the mills work backwards from the lumber market price to establish a log price range that they can afford. (Although a significant portion of logs become chips, the chips are viewed as residual by-products and so chip prices are generally not very responsive to pulp and paper prices.)

Loggers and tenure holders who sell to the mills are therefore price takers and very susceptible to changes in international lumber prices. Loggers and independent tenure holders cannot affect revenue significantly so the priority is to manage costs.

4.3 Timelines and Risks

4.3.1 Long lead times

Cutting permits can only be applied for areas that are shown in a forest development plan forest stewardship plan, or woodlot licence plan. A forest stewardship plan can have a term of 5 years and can be extended up to 5 more years. (Forest development plans used to have a term of 5 years but are being phased out and cannot be used after December 31, 2006.) These plans have a good lifespan but getting the initial plan in place takes time, especially if they involve a number of field assessments. From initial fieldwork through preparation, review and approval, an operational plan typically takes 6-12 months to put into effect.

In many areas, roads will be better and will cost less to maintain if they are constructed the year before any heavy hauling. At a minimum, roads should be built 3 months ahead of logging. Road design and permit application needs to be done first, and those have to be consistent with the approved plan.

Cutting permit applications may also have to wait for an approved plan and fieldwork may have to take place in a snow-free period. Local Ministry of Forests and Range staff can advise on typical times for processing cutting permit applications.

Logging and hauling contractors may require advance notice of contracts, especially if there are significant logistics involved such as water access or remote locations.

4.3.2 Continuing liabilities

Reforestation obligation represents a large cost to the tenure holder. Most of this cost occurs within 2 years of logging but there may be foreseeable costs afterwards (e.g. to cut back competing brush on a rich site). Then, throughout the period of time until the stand is declared free growing, there is ongoing risk of additional treatments or even plantation failure. In the Coast Forest Region, a new plantation typically takes 8 to 11 years (15 years at high elevation) to get established as free growing.

Roads represent another ongoing liability as they remain the responsibility of the permit holder until fully deactivated or until the district manager relieves the permit holder of the obligations so that the road can be used for others.

4.3.3 Risks in a natural environment

Weather (e.g. early snow or late spring) is always a wildcard in outdoor activities and can be a significant factor for operational costs.

Despite a licensee's best efforts to reforest a site, wind, pests, brush or fire can cause damage to a plantation that the licensee will have to deal with.

4.3.4 Market risks

Markets are always changing. Drops in log prices during logging can drastically affect profitability.

4.4 Put it all together in a Business Plan

Note
Business planning is discussed in this section as a recommended activity for any tenure holder but voluntary for most. Suggestions are made on what to consider but the prospective tenure holder may need to get expert advice for their specific circumstances. This section is not directed at the business plan that might be required of applicants for a community forest agreement (refer to the invitation letter and the Community Tenures Regulation.)

4.4.1 Community Expectations versus Business Objectives

Business management strategies should be designed to address the various objectives established for the tenure. A privately-held tenure might be able to focus on profit while relying on government regulations to meet social and environmental objectives. But where a licence is held by, or operated on behalf of a community, a more complex set of objectives may be expected. Objectives might include:

- Environmental protection that varies or exceeds government regulations
- Management approaches that reflect the community's cultural values
- Community employment and job/career training
- Profitable operations, reserves for contingencies.
- Surplus profits for community projects.

It may not be possible or even desirable for the tenure to chase too many objectives. The factors discussed in this Part may need to be discussed with community representatives so that realistic business objectives can be established.

British Columbia Community Forest Association has a guidebook built on the experience of other communities that may help set realistic objectives. (See section 8.3.5)

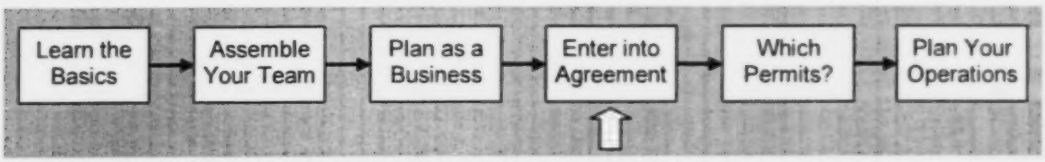
4.4.2 Business Viability

The key outcome of a business plan is to determine whether the tenure will be viable in current/projected markets and given the location, size and term of the tenure.

4.4.3 Business Strategies

The business plan's cost-revenue-risk analysis should be able to produce some guidelines about when logging should proceed or not. Recent changes in cut control rules removed penalties for undercutting. So whether and when to log should be a business decision based on strategies and criteria developed in the business plan.

Part 5 Enter into the Agreement



Enter into the Agreement - A Process

- Invitation letter
- Explore options to locate the tenure (operating area or licence area)
- Application
- Evaluation
- Execute (sign) the agreement

Before Licence is Issued

- Application acceptable according to invitation letter conditions
- Deposit and annual rent paid
- Management plan approved (Community Forest Agreement or Woodlot Licence)

Under the Forestry Revitalization Initiative, a Forest and Range Agreement may include a timber tenure commitment. Other BC communities may be the subject of an announcement of government's intention to create a community forest opportunity. These tenure opportunities will usually be a direct invitation; meaning that only one entity will receive the invitation. Despite the direct invitation, there is still a process that involves:

- Invitation letter
- Exploring options to locate the tenure operations
- Application and evaluation
- Executing the agreement

5.1 Invitation

In accordance with the terms of the Forest and Range Agreement (or in the case of a community forest agreement, when the minister determines that it is appropriate to do so), the Minister of Forests and Range will send an invitation to apply for a specific type of tenure. Sometimes, the tenure commitment has been conditional upon volume being available from the timber reallocation process.

The invitation letter will usually be more specific about the form of tenure and any geographic limitations. The letter will specify information requirements for the application and may also ask the applicant to provide input to assist the Ministry of Forests and Range in locating an operating area for the licence within the specified management unit.

5.2 Locating the Tenure Operations

5.2.1 Operating Area for Non-Replaceable Forest Licence or Forestry Licence to Cut

Forest licences (replaceable and non-replaceable) grant rights to harvest a specified volume within a management unit; normally a timber supply area (TSA). Forest licences do not grant exclusive rights to operating areas (also referred to as charts). The TSA area is theoretically shared among all of the volume-based licences and BC Timber Sales.

A Forestry Licence to Cut will describe one or more areas of land within which its holder may harvest Crown timber.

Despite there not being any exclusive licensee right to a particular area, licensees (and BC Timber Sales) have developed a consensus-based allocation of operating areas. The arrangement has been respected because all parties benefit from efficiencies and reduced conflicts.

In some cases, a new, non-replaceable forest licence may be restricted to a portion of the TSA. Such a restriction is usually done only after the Ministry has established that it is a suitable area for the new tenure and not in conflict with established licensees.

If a planned new tenure does not have a pre-arranged operating area, the prospective tenure holder may need to work with other licensees and the Ministry of Forests and Range to locate a suitable area.

In some cases, a new tenure holder may be able to develop a working relationship with one of the established licensees in which they share an existing operating area. This kind of arrangement could extend to the exchange/purchase of plans and/or developed cutblocks.

5.2.2 Area for a Woodlot Licence or Community Forest Agreement

Woodlot licences and community forest agreements are area-based tenures. When an area is included in a woodlot licence or community forest agreement, it essentially becomes permanently unavailable to other tenures (except that cut control undercut could be offered to others). Selection of area for these agreements becomes a significant decision entailing consultation amongst government agencies and affected First Nations, and might need to involve input from licensees in the affected management unit.

5.3 Application and Evaluation

5.3.1 Application Format

The invitation letter will specify the format for the application.

5.3.2 Evaluation Process

Applications will be evaluated by the minister against the requirements in the invitation letter and any associated legislation or regulations.

If the application is satisfactory, the minister will direct the licensor (regional manager or district manager, depending on the form of agreement) to enter into the agreement with the applicant, provided that annual rent and deposit(s) are paid and that any additional requirements have been met.

5.3.3 Deposits and Annual Rent

A deposit must be provided before the licence is issued, and maintained during the term of the licence. The deposit can be cash or another form of security acceptable to the Ministry of Forests and Range. It will be refunded at the end of the licence term if obligations under the licence have been fulfilled. Licence deposits are calculated according to regulation:

- forest licence = 15¢/m3 of the allowable annual cut,

- woodlot licence = $200
- a forestry licence to cut entered into under section 47.3 = 20¢/m3 of the total licence volume

The regulation does not specify a deposit for community forest agreements.

Annual rents must be paid prior to licence execution and yearly thereafter. The Annual Rent Regulation specifies the amount. The present rate for forest licences, and community forest agreements is $0.37/m³ of allowable annual cut of which $0.12/m³ is directed to fire preparedness. Woodlot Licences must pay $0.60/m³ of which $0.10/m³ is directed to fire preparedness and $0.25 to the Woodlot Product Development Council.

5.3.4 Other Requirements

The Ministry of Forests and Range cannot enter into a probationary community forest agreement nor a woodlot licence until a management plan is approved by the government for the proposed agreement/licence area.

The invitation letter may also require a community forest applicant to submit a business plan that meets the requirements of the Community Tenure Regulation.

5.4 Entering into the Agreement

Once all requirements have been met, the agreement is executed (signed) by both parties.

5.4.1 The Licence Document

A licence or agreement authorized under the *Forest Act* is a contract between the holder and government specifying rights and obligations to harvest Crown timber from an area of land. The following components of a forest licence document illustrates the content of an agreement that specifies an allowable annual cut (AAC):

1) Grant of Rights and Term

   - Sets the AAC and specifies all or part of a management unit that the licence applies to. For non-replaceable forest licences, a maximum volume over the licence term is specified in addition to the AAC. Woodlot licences and community forest agreements generally enjoy exclusive cutting rights to their area subject to an AAC determined periodically in conjunction with their management plan.
   - Sets the effective date and the term of the agreement in years
   - Specifies whether the licence is replaceable or not

2) Timber Harvest Limitations

   - Prohibits harvesting of timber that is reserved by the CP, an operational plan or forestry legislation.

- Provides the ability to place restrictions on cutting permit applications.

3) Timber Volume Charged to the Licence

- Links the volume harvested under the agreement to the cut control provisions in the *Forest Act* and the procedures in the Waste Assessment Manual
- Establishes the cut control specifications that will be used in cutting permits, subject to CP-specific variations.

4) Waste Assessment

- Sets the requirements for waste assessments.
- Requires the licensee to pay for volumes they could have taken but did not.

5) Cruise and Appraisal Information

- Requires the submission of cruise and appraisal information compiled according to specified manuals.

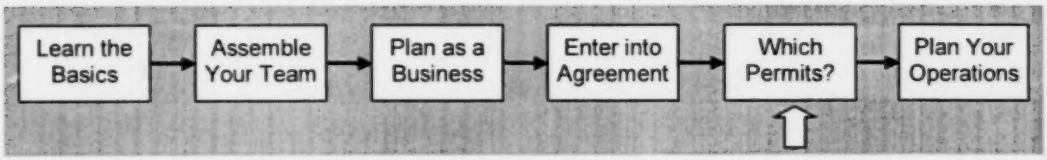
6) Cutting Permits

- Enables the licensee to apply for a cutting permit if certain conditions are fulfilled.
- Requires the cutting permit to be issued unless certain circumstances exist.
- Sets out the content of a cutting permit

7) Other Provisions

- Allow cutting permits to be varied, suspended or refused to be consistent with a court determined aboriginal right and/or title.
- Enables a requirement to be made for reporting of information regarding the licensee's performance of its obligations under the licence for the previous year
- Requires licensee to pay stumpage billed, any bonus offer, or waste assessment
- Requires a deposit as a security for performance and specifies how the deposit can be accessed and returned.
- States provisions on liability and indemnity
- Establishes that CPs will terminate at the expiry of the licence and any improvements are vested with the Crown
- Identifies how notices are handled

Part 6 Cutting Permits and Other Authorizations



Which Permits are Needed?

- Cutting Permit
  Cutting authority, stumpage, mark & scale
- Road Permit
  Construction &/or primary user
- Road Use Permit
  Use of Forest Service Road
- Special Use Permit
- Other permits, licences and leases
  for use of aquatic Crown Land

Cutting Permit Activities

- Timber Cruising
- Cutting Permit Application
- Appraisal to Determine Stumpage Rates
- Marking and Scaling of Harvested Timber
- Billing of Stumpage and Waste

Logging Road Authorization

Logging Roads fall into one of three categories:

- **Forest Service Roads -** managed by the FS. Using them for logging requires ROAD USE PERMIT
- **Operational Roads -** managed by licensees, either under a CUTTING PERMIT, or outside a CP under a ROAD PERMIT (primary user)
- **Non-Status Roads -** these are older, abandoned logging roads. Opening them up for logging requires a ROAD PERMIT from the Forest Service.

Maintenance Obligations

A person with a road authority (CP or RP) must maintain the road until it is:

- deactivated,
- required for other permit or other users, or
- designated as a Forest Service Road

A person with a road use permit may be ordered to maintain all or part of a FSR.

Other Authorities

- Special Use Permits :
  - Issued by District Manager
  - For pits and quarries for forestry related roads, logging camps, and dryland sorts
- Licences, Permits, Leases on Aquatic Crown Land:
  - issued by Land and Water B.C
  - for log handling activities such as storage, booming, and dumping

6.1 Cutting Permits

A cutting permit is the document that provides cutting authority for specific types of trees on a defined area of land. In addition to the planning requirements of Forest Practices Legislation (See Part 7), the timber proposed for harvesting must first be cruised and an application must be submitted with appraisal information that will be used to prepare the permit and determine a stumpage rate.

Once the cutting permit is issued, there are requirements for timber marking and scaling of harvested timber. Monthly invoices are sent to the tenure holder for payment of stumpage. At the end of logging, a waste assessment is required to determine if there will be billing for the volume wasted.

At the end of a calendar year, scale and waste volumes from each CP are combined to determine the volume harvested under the licence for cut control purposes.

Timber cruising, appraisal information, scaling and billing are stumpage – related activities, as indicated in the following chart.

6.1.1 Timber Cruising

Crown timber on each cutting authority needs to be inspected, cruised and computed according to the standards and procedures in the Cruising Policy. The timber cruise will provide the estimate of volume, species composition, quality of timber and other data required to determine stumpage rates.

The Cruising Manual sets out the minimum cruising standards that must be met. These include specifications for the statistical design of the cruise, the accuracy of field measurements and standard compilation procedures.

Cruising Policy: http://www.for.gov.bc.ca/tasb/manuals/policy/resmngmt/rm13-7.htm

Cruising Manual: http://www.for.gov.bc.ca/hva/manuals/cruising/index.htm

6.1.2 Cutting Permit Application and Appraisal

The form and content of a cutting permit application is specified in the licence document and district procedures. The applicant may ask for a term of up to 4 years. If the term is less than 4 years, an extension may be requested provided a fee is paid and the total term does not exceed 4 years.

A key part of the application involves the submission of appraisal data. The *Appraisal Manuals* contain the Minister's policies and procedures for determining stumpage rates for Crown timber. Stumpage rate determination for non-competitive harvesting authorities are based on the bid results from competitive timber sale licenses and information from a survey of logging and forest management costs incurred by licensees and contractors operating in BC. Note: The *Coast and Interior Appraisal Manuals* have a different format due to the timing of market pricing system policy in each area.

Appraisal Manuals: http://www.for.gov.bc.ca/hva/manuals/onlinemanuals.htm

6.1.3 Timber Marking

The "Timber Mark" is a unique identifier for a specific cutting authority and is governed by Part 5 of the *Forest Act* and *Timber Marking and Transportation Regulation:* http://www.for.gov.bc.ca/tasb/legsregs/forest/faregs/timmark/tmr.htm

The purpose of the timber mark is:

- to identify the authority under which timber is harvested
- whether the timber comes from Crown or Private Land,
- the area of land from which the timber is removed.
- the holder of the timber mark
- the exportability of the timber

The timber mark facilitates billing by associating the timber with a specific stumpage rate. The timber mark also allows timber to be tracked for cut control measurement.

6.1.4 Scaling

Scaling is the physical measurement of both Crown and private timber to determine its volume and quality or grade. Scale data is reported by species and grade, and volumes are expressed in cubic metres (m3). One cubic metre of timber can be viewed as a cubic metre of solid wood, free of any rot, hole or char.

The legal and administrative framework for scaling in British Columbia is set by Part 6 of the *Forest Act* and the *Scaling Regulation*. This legislation contains the authority and requirements for scaling. It is applicable to all timber cut from both public and private land within provincial jurisdiction. This legislation does not apply to timber cut on lands that are under federal jurisdiction. Such timber includes timber cut on Indian or military reserves administered under Federal Acts.

Scaling manual: http://www.for.gov.bc.ca/hva/manuals/scaling/index.htm

6.1.5 Stumpage Billings

Under Part 7 of the *Forest Act* a holder of an agreement that harvests Crown timber is required to pay stumpage in accordance with that Part and the agreement. Crown timber applied for under a cutting or road permit is subject to payment of stumpage. The Harvest Billing System (HBS) is a corporate data base that records and prepares stumpage billing and related fees with respect to Crown timber harvested under that agreement.

Harvest Billing System information: http://www.for.gov.bc.ca/hva/hbs/index.htm

6.1.6 Waste Assessments

Merchantable Crown timber, whether standing or felled, that is not reserved from cutting and remains on site upon the completion of primary logging of each cut block or at the expiry of the agreement or cutting permit is waste. The ministry issues waste bills charging for this waste.

The waste assessment manual is referenced by the forest licence document and pre- Nov 4, 2003 cutting permits. It is also referenced by the June 2004 waste assessment policy:

Policy: http://www.for.gov.bc.ca/tasb/manuals/policy/resmngmt/rm13-6.htm
Waste assessment manual: http://www.for.gov.bc.ca/hva/manuals/rwmm.htm

6.2 Logging Road Authorization

Logging Roads fall into one of three categories

Forest Service Roads - these are actively managed by the Forest Service and using them for logging requires a ROAD USE PERMIT.

Operational Roads - these are actively managed by the licensee. The licensee requires a ROAD PERMIT from the Forest Service unless the roads are already authorized under a CUTTING PERMIT.

Non-Status Roads - these are older, abandoned logging roads. Opening them up for logging requires a ROAD PERMIT from the Forest Service.

Section 79 of FRPA's Forest Planning and Practices Regulation requires a person who has a road authority (e.g. road permit or cutting permit) to maintain the road, including bridges, culverts, fords and other structures associated with the road, until

- the road is deactivated,
- the district manager gives notice that the road should not be deactivated due to use by others,
- a road permit or special use permit for the road is issued to another person, or
- the road is declared a forest service road under the *Forest Act*.

The district manager may order the holder of a road use permit to maintain all or part of a forest service road.

6.2.1 Roads within a cutting permit

A cutting permit provides authorization for construction and/or use of any roads within the cutting authority area; assuming the planning and practice requirements of forest practices legislation has been met.

Despite expiry or cancellation of a cutting permit, road maintenance obligations will continue until deactivation or the district manager notifies that the road is needed for other purposes and should not be deactivated.

6.2.2 Road Use Permit

How to get a road use permit
To use a Forest Service Road for any activity related to logging, you must apply to the District Manager for a road use permit.

After receiving your application, district staff will prepare a road use permit considering:

1. Are any other logging companies using this road?
2. What condition is the road currently in?
3. Is bridge or culvert work needed before the road can be safely used?

The answers to these questions will dictate the terms and conditions of the road use permit. You may be designated as responsible for all or a portion of the road maintenance, or instructed to share the overall maintenance costs with other logging companies. In some cases there may be bridges that you will need to repair or replace before you can begin using the road. Companies are encouraged to inspect the road prior to applying, to make certain that they know what sort of costs they will be incurring.

What happens after getting the road use permit

Once you receive your permit, you are authorized to use the forest service road. As mentioned above you may still have some work to do before you can begin logging but the Forest Service won't be too involved in how you manage those - as long as you follow the law.

During the course of your operations, other logging companies may show up who also want to use the road. Like you, they'll get a road use permit and be obligated to share in the road maintenance costs. There may also be other companies who close their operations while you're still in there. In either situation the District Manager may have to amend your Road Use Permit, to adjust who will be responsible for maintaining certain road sections.

How to get rid of a road use permit

Road use permits do not have an expiry date. In other words, they remain valid until the licensee requests - and the District Manager approves - its termination.

When the District Manager receives your request to terminate your road use permit, his staff may consider two questions:

1. Do you have any outstanding obligations under the permit such as burning, planting or road stabilizing?
2. Will you be operating in that area within the near future (e.g. the next 18 months)?

If the answers to both are no, then the District Manager should be able to close your road use permit.

6.2.3 Road Permit

A road permit provides authority to construct and/or use roads that are not within a cutting permit. If necessary, the road permit may include cutting authority for the timber within the road right of way. A road permit authorizing construction can only be applied for after planning requirements of the applicable forest practices legislation have been met.

A road permit that includes cutting authority is always associated with a timber tenure agreement for cut control purposes but technically it is considered a stand alone agreement.

A road permit provides authority for industrial use but not exclusive use. The public and other industrial users can use a road that is under road permit. Other industrial users are required by the *Forest Act* to pay a share of reasonable maintenance costs.

How to get a road permit

If you want to use an operational road or a non-status road for logging-related activity, you must apply to the District Manager for a road permit.

After receiving your application, district staff will consider several things:

1. Is there another logging company already using this road?
2. What sort of condition is the road currently in?
3. Is bridge or culvert work needed before the road can be safely used?

The answers to these questions will dictate what happens to your application. Under current legislation, if the road is already permitted to another logging company then you will not need your own road permit. You will however be required to contribute to the cost of maintaining the road.

If there is no current road permit holder, then you will be issued a road permit - which will make you responsible for all of the road maintenance. In some cases there may be bridges that you will need to repair or replace before you can begin using the road. Companies are encouraged to inspect the road prior to applying, to make certain that they know what sort of costs they will be incurring.

What happens after getting the road permit or exemption from having one

Once you are authorized to use the road, you may still have some work to do before you can begin logging but the Forest Service won't be too involved in how you manage those - as long as you follow the law.

During the course of your operations, other logging companies may show up who also want to use the road. They will be obligated to notify you of their use and to share in the road maintenance costs. There may also be other companies who close their operations while you're still in there. In either situation, the responsibility for maintaining certain sections of the road may need to be adjusted.

How to get rid of a road permit

Road permits do not have an expiry date and remain valid until the licensee requests - and the District Manager approves - its termination. When the District Manager receives your request to terminate your road permit, his staff may consider two questions:

1. Have you fulfilled all your obligations under the permit - including any burning, planting and road deactivation?
2. Have you fulfilled all your obligations except for deactivation, but there's another logging company willing to take responsibility for the road?

If the answer to either question is yes, then the District Manager should be able to close your road use permit.

6.3 Special Use Permits

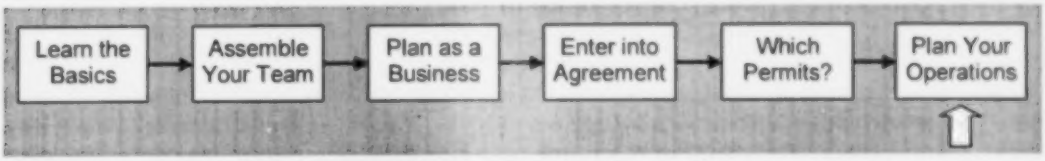
Special use permits authorize a forestry related use or occupation of Crown Land in a provincial forest or woodlot for a purpose not authorized by another authorization (e.g. cutting permit or road permit). Activities authorized under a special use permit include pits and quarries for forestry related roads, logging camps, and dryland sorts. Special use permits are issued by the District Manager in accordance with the Provincial Forest Use Regulation. The special use permit document defines the area to be used, establishes the term, provides for the collection of fees, and requires a plan as to how the land is to be used and addresses any clean up or restoration issues.

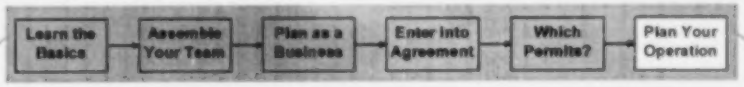
6.4 Log Handling on Aquatic Crown Land

Aquatic Crown land is all the land, including the foreshore, from the high water mark out to the limits of provincial jurisdiction. This includes all submerged land between the mainland to the east and Vancouver Island and the Queen Charlotte Islands to the west, as well as all submerged land within bays on the west coasts of these islands.

Operations related to log handling such as storage, booming, and dumping that occur over Aquatic Crown Land are authorized through permits, licences, or leases issued by Land and Water B.C. Incorporated, as explained in the Land Use Policy for Log Handling, located at http://lwbc.bc.ca/02land/tenuring/loghandling/index.html . Land and Water British Columbia Inc. will process your application in 140 days from the date of acceptance of your application. The most common reason for delay is submission of an incomplete application, which is then returned to the applicant.

Part 7 Plan Your Operations





7. Planning Framework

Plan Level	Document
Management Unit	• Management Plan (Woodlot or Community Forest)
Operational (FRPA)	• Forest Stewardship Plan or Forest Development Plan or Woodlot Licence Plan
Site Level	• Site Plan
Authority	• Cutting Permit / Road Permit
Operations	• Internal plans for woodland staff

Operational Plan Options

- **Forest stewardship plan** or **woodlot licence plan**). Cutting permits operate under FRPA.
- Grandparented **forest development plan** in effect for the transition period. Cutting permits stay under Forest Practices Code.
- Apply for cutting permits in **another licensee's operational plan** (FRPA or Code)

(Options will vary depending on type of tenure)

7.1 Management Plan

Management plans are mandatory for woodlot licences and community forest agreements. Preparing a management plan is a significant undertaking, as this document sets out the long-term plans for managing both forest resources and harvesting activities within the area of the agreement. The plan contains objectives for the management of forest resources, including biodiversity, visual quality, heritage resources, range resources, wildlife and fish. The plan may also address wildfire protection, forest health strategy and silviculture treatments. The management plan also forms the basis for an AAC determination.

7.2 Forest Stewardship Plan / Forest Development Plan / Woodlot Licence Plan

Previously, a forest development plan had to be prepared by the licensee and approved by the District Manager prior to cutting permit or road permit application. Currently, we are in a transition to the new requirements of a forest stewardship plan under FRPA. A forest stewardship plan links government objectives to practices on the ground through approved results and strategies. Woodlot licensees will prepare woodlot licence plans under FRPA.

A forest stewardship plan:

- includes a map showing boundaries of all forest development units
- shows areas of previously approved cutting permits and road permits
- identifies results and strategies for every applicable government objectives
- must be consistent with timber harvest rights
- must be signed by the person required to prepare the plan
- identifies stocking standards
- contains measures for invasive plants and range barriers

During the transition to FRPA, holders of tenures (other than a licence to cut issued after FRPA came into effect) who do not yet have a forest stewardship plan, may continue to obtain permits for areas that are in an approved forest development plan. Also, until December 31, 2005 these tenure holders can submit for approval a new forest development plan. Pre-existing or new forest development plans for community forest agreements or woodlot licences will remain in effect for the approved term of the forest development plan. Forest development plans for other tenures will terminate no later than December 31, 2006.

For new tenures other than a forestry licence to cut, there are several possibilities for operational planning:

- Prepare and submit a FRPA operational plan and operate throughout the term of the plan under FRPA.
- Prepare and submit a forest development plan before December 31, 2005 and use it to apply for cutting permits while the forest development remains in effect. (i.e. no later

than December 31, 2006 if the tenure is not a community forest agreement or woodlot licence). Once issued, the cutting permits would operate under the Forest Practices Code. If additional cutting permits were required after the forest development plan was no longer in effect, a FRPA operational plan would be required.

- With agreement from another licensee, apply for cutting permits that are within the licensee's forest development plan while it is in effect or within a licensee's forest stewardship plan.

Refer to Part 11 Division 4 of FRPA to confirm the transition provisions applicable to your tenure. (http://www.for.gov.bc.ca/tasb/legsregs/frpa/frpa/part11.htm#part11-div4)

Note that a licence to cut issued after FRPA came into effect does not have any transitional provisions for using forest development plans and so needs to have an approved forest stewardship plan under FRPA.

7.3 Site Plan

Site Plans provide the approximate locations of road(s) or cut block(s) and identify how the results & strategies in the FSP will be met on site. The site plan specifies standard units, stocking standards, and soil disturbances for one or more cutblocks.

Site plans are not submitted for approval. They must be prepared and retained until requirements are met. Professional sign-off requirements are determined by professional association requirements. There is no review and comment process but the public can ask to see site plans.

7.4 Planning for Cutting and Road Authorities

Advance planning is required to ensure the right cutting permits, road permits and other authorities are in place for when they are needed.

7.5 Logistics for Operations

- Where will the logs be sold?
- Who will do the road construction and when?
- Who will supervise the roadwork and road maintenance to ensure it meets the plans?
- Who will do the logging and hauling?
- Who will supervise the logging to ensure the site plans and other forest practice requirements are met?
- Where will the logs be scaled?

Part 8 More Information

8.1 Glossary

The following are terms used in this guide. A more comprehensive listing of forestry terms is available at: http://www.for.gov.bc.ca/hfd/library/documents/glossary/ . That web page also has a link to forestry acronyms & initialisms.

Allowable Annual Cut (AAC): The allowable rate of timber harvest from a specified licence or a specified area of land. The Chief Forester determines AACs for timber supply areas (TSAs) and tree farm licences (TFLs) in accordance with Section 8 of the Forest Act.

Apportionment of AAC: The distribution of the AAC for a TSA among timber tenures by the Minister in accordance with Section 10 of the Forest Act.

Silviculture:
Operations that are for the purpose of establishing a free growing crop of trees of a commercially valuable species, including seed collecting, site preparation, artificial and natural regeneration, brushing, spacing and stand tending.

Biodiversity (biological diversity):
The diversity of plants, animals, and other living organisms in all their forms and levels of organization, including genes, species, ecosystems, and the evolutionary and functional processes that link them.

Coast:
Generally, the geographic area west of the Cascade Mountains. The Coast Forest Region covers the same geographic area. (For a precise definition, refer to the glossary link in 8.2.1)

Crown land:
Land that is owned by the Crown. (Referred to as federal Crown land when it is owned by Canada.)

Cruise:
The systematic measurement of a forested area designed to estimate to a specified degree of accuracy the volume of timber it contains, by evaluating the number and species of trees, their sizes and conditions.

Cut control:
A set of rules and actions specified in the *Forest Act* that describes the allowable periodic variation in the utilization of the AAC authorized in a timber tenure.

Cutting permit:
A document issued under a tenure that specifies an AAC that authorizes the holder to harvest trees from a specific area of land.

District manager:
The manager of a Forest Service district office, with statutory responsibilities specified or delegated under the *Forest Act, Ministry of Forests Act, Range Act* or forest practices legislation.

Extension services:
Assistance provided to woodland operators. May include training or help with the preparation of forest management plans, cutting permits, marking trees for selective cutting, and guidance in carrying out slash disposal, site preparation, planting, etc.

Forest health:
A forest condition that is naturally resilient to damage; characterized by biodiversity, it contains sustained habitat for timber, fish, wildlife, and humans, and meets present and future resource management objectives. The term is also refers to the area of forestry that addresses natural threats to forest health such as pests and diseases.

Forest inventory:
A survey of a forest area to determine such data as area, condition, timber, volume and species for specific purposes such as planning, purchase, evaluation, management or harvesting.

Forest practices legislation
In this guide, the term "forest practices legislation" refers generally to the *Forest and Range Practices Act* and/or the *Forest Practices Code of British Columbia Act.*

Free-growing stand:
Defined in the *Forest and Range Practices Act* as a stand of healthy trees of a commercially valuable species, the growth of which is not impeded by competition from plants, shrubs or other trees;

Hauling:
A general term for the transportation of logs from one point to another, usually from a landing to the mill or shipping point.

Interior:
Generally, the geographic area east of the Cascade Mountains. The Southern Interior Forest Region and the Northern Interior Forest Region cover the interior. (For a precise definition, refer to the glossary link in 8.2.1)

Landscape:
The fundamental traits of a specific geographic area, including its biological composition, physical environment and anthropogenic or social patterns.

Pest:
Any agent designated as detrimental to forest health or effective resource management.

Planning:
The determination of the goals and objectives of an enterprise and the selection, through a systematic consideration of alternatives, of the policies, programs and procedures for achieving them. An activity devoted to clearly identifying, defining, and determining courses of action, before their initiation, necessary to achieve predetermined goals and objectives.

Procedure:
A particular way of accomplishing an objective; generally refers to the method rather than the result. Procedures are usually developed to describe the methods for implementing policy.

Range:
Any land supporting vegetation suitable for wildlife or domestic livestock grazing, including grasslands, woodlands, shrublands and forest lands.

Riparian:
An area of land adjacent to a stream, river, lake or wetland that contains vegetation that, due to the presence of water, is distinctly different from the vegetation of adjacent upland areas.

Soil:
The naturally occurring, unconsolidated mineral or organic material at the surface of the earth that is capable of supporting plant growth.

Strategic land-use planning:
Planning at the regional, sub-regional and, in some cases, at the local level which results in land allocation and/or resource management direction.

Stumpage:
The fee that holders of a cutting authority are required to pay to the government when they harvest Crown timber in British Columbia. A stumpage rate ($ per cubic metre) is determined through an appraisal of each area of trees that will be harvested for a given timber mark. The stumpage rate is applied to the volume of timber that is cut or wasted and invoices are sent to the holder of the cutting authority.

Tenure:
The holding of rights, particularly as to manner or term. The *Forest Act* defines a number of timber tenures by which the rights to cut timber on provincial Crown land are assigned.

Timber mark:
A unique set of letters and numbers marked in a specified manner (e.g a hammer indentation) made on cut timber for identification purposes.

Timber Supply Area (TSA):
An management unit established in accordance with Section 7 of the *Forest Act*. TSA boundaries were originally established to reflect the pattern of wood flow from forest land to the primary timber-using industries.

Waste:
The volume of timber left on a harvested area that was authorized for harvest but, at the licence holder's discretion was not. Waste timber is subject to monetary billings and charges toward cut control.

8.2 Government Resources

8.2.1 Information on the Web

Government of BC: http://www.gov.bc.ca

Ministry of Forests and Range: via Government of BC website, www.for.gov.bc.ca or http://www.gov.bc.ca/bvprd/bc/channel.do?action=ministry&channelID=8385&navId=NAV_ID_province

Forestry legislation: http://www.for.gov.bc.ca/mof/acts.htm

Acronyms & Initialisms: http://www.for.gov.bc.ca/hfd/library/documents/acronyms/

Glossary of Forestry Terms: http://www.for.gov.bc.ca/hfd/library/documents/glossary/

Forms: http://www.for.gov.bc.ca/pscripts/isb/forms/forms.asp

Licence templates: http://www.for.gov.bc.ca/ftp/hth/external/!publish/Templates%20review/

8.2.2 Information about Government e-business

Corporate computer systems are used as a business link between various functions within the ministry such as compliance and enforcement, revenue and scaling and tenure administration. In addition, Ministry of Forests and Range corporate data bases are shared and maintained by other agencies within government such as Ministry of Sustainable Resource Management and Ministry of Revenue.

Electronic Submission Framework (ESF) (http://www.for.gov.bc.ca/his/esf/) provides a single "framework" for licensees to submit data to the ministry electronically in a predefined format. Initially, tenure data is being submitted to the Ministry's Forest Tenure Administration (FTA) application and silviculture data to **RESULTS** (**RE**porting **S**ilviculture **U**pdates and **L**andstatus **T**racking **S**ystem). Maps which normally accompany submissions are also submitted in electronic format so they can be stored in the government's corporate spatial data warehouse.

Licensees can submit applications for cutting permits, road permits or amendments to permits. The ESF website includes a Forest Industry Guide to ESF Preparation and Submission and links to the technical description of the data requirements.

8.3 Contacts and links

8.3.1 Government

Coast Forest Region
Mailing Address: 2100 Labieux Road, Nanaimo, BC V9T-6E9
Telephone: (250) 751-7001 Facsimile: (250) 751-7190
E-mail: Forests.CoastRegionOffice@gems3.gov.bc.ca
Web page: http://www.for.gov.bc.ca/rco/

Campbell River Forest District
Mailing Address: 370 South Dogwood Street, Campbell River, B.C. V9W 6Y7
Telephone: (250) 286-9300 Facsimile: (250) 286-9490
E-mail: Forests.CampbellRiverDistrictOffice@gems3.gov.bc.ca
Web page: http://www.for.gov.bc.ca/dcr/index.htm

Chilliwack Forest District
Mailing Address: 46360 Airport Road, Chilliwack BC V2P1A5
Telephone: 604 702-5700 Facsimile: 604 702-5711
E-mail: Forests.ChilliwackDistrictOffice@gems3.gov.bc.ca
Web page: http://www.for.gov.bc.ca/dck

North Coast Forest District
Mailing Address: 125 Market Place, Prince Rupert, BC V8J 1B9
Telephone: 250-624-7460
Web page: http://www.for.gov.bc.ca/dnc

North Island – Central Coast Forest District
Mailing Address: Box 7000 Port McNeill V0N2R0
Physical Address: 2217 Mine Road Port McNeill V0N2R0
Telephone: 250 956-5000 Facsimile: 250 956-5005
E-Mail: Forests.NorthIslandCentralCoastDistrictOffice@gems3.gov.bc.ca
Web page: http://www.for.gov.bc.ca/dic

Queen Charlotte Islands Forest District
Mailing Address: Box 39, Queen Charlotte City, BC. V0T-1S0
Telephone: (250) 559-6200 Facsimile: (250) 559-8342
E-mail: Forests.QueenCharlotteDistrictOffice@gems3.gov.bc.ca
Web page: http://www.for.gov.bc.ca/dqc

South Island Forest District
Mailing Address: 4885 Cherry Creek Road, Port Alberni, B.C., V9Y 8E9
Telephone: (250) 731-3000 Facsimile: (250) 731-3010
E-mail: Forests.SouthIslandDistrictOffice@gems3.gov.bc.ca
Web page: http://www.for.gov.bc.ca/dsi

Squamish Forest District
Mailing Address: Suite 101, 42000 Loggers Lane, Squamish BC V0N3G0
Telephone: 604 898-2100 Facsimile: 604 898-2191
E-mail: Forests.SquamishDistrictOffice@gov.bc.ca Web page: http://www.for.gov.bc.ca/dsq

Sunshine Coast Forest District
Mailing Address: 7077 Duncan Street, Powell River, BC V8A 1W1
Telephone: (604) 485-0700 Facsimile: (604) 485-0799
E-mail: Forests.SunshineCoastDistrictOffice@gems3.gov.bc.ca
Web page: http://www.for.gov.bc.ca/dsc

8.3.2 Training

Community Futures Development Association of BC
Suite 880, 355 Burrard Street, Marine Building, Vancouver B.C. V6C 2G8
Phone: (604) 685-2332 Fax: (604) 681-6575
Web site: http://www.communityfutures.ca/provincial/bc

Malaspina University College
Nanaimo 250-740-6160 Duncan 250-746-3519
Parksville 250-248-2096 Powell River 250-485-2878 / 1-877-888-8890
web page: www.mala.ca

8.3.3 Consultants and Professional Associations

Society of Consulting Foresters of British Columbia
P.O. Box 98, Pender Island, British Columbia, Canada V0N 2M0
Email: info@cfbc.bc.ca web page: http://www.cfbc.bc.ca

Association of BC Forest Professionals
1030 – 1188 West Georgia St., Vancouver, BC V6E 4A2
Telephone: 604 687-8027 Facsimile: 604 687-3264
e-mail: guest@rpf-bc.org web page: www.rpf-bc.org

Association of Professional Engineers and Geoscientists of BC
200 – 4010 Regent St., Burnaby, BC V5C 6N2
Telephone: 604 430-8035 Toll free in Canada 1-888-430-8035
e-mail: apeginfo@apeg.bc.ca web page: www.apeg.bc.ca

BC Institute of Agrologists
102 – 2669 Langdon St., Abbotsford, BC V2T 3L3
Telephone: 604 855-9291 web page: www.bcia.com

College of Applied Biology
#205 – 733 Johnson St., Victoria, BC V8W 3C7
Telephone: 250 383-3306 web page: www.cab-bc.ca

8.3.4 Industry Associations

Coast Forest Products Association
Suite 1200, 1090 West Pender Street, Vancouver, British Columbia V6E 2N7
Telephone: (604) 891-1237 Fax: (604) 682-8641
Web: www.coastforest.org e-mail: info@coastforest.org
The "MEMBERS" page on this site has contact information for most of the large forest products companies on the coast.

8.3.5 Community Forestry

British Columbia Community Forest Association (BCCFA)
PO Box 1227, Kaslo BC V0G 1M0
Telephone: (250) 353-2034 Fax: (250) 778-4338
Web: www.bccfa.ca e-mail: info@bccfa.ca
BCCFA and FORREX-Forest Research Extension Partnership published a new guidebook on community forestry targeted at municipalities, community organizations, and First Nations in the province. From BCCFA's website: "*Community Forestry Guidebook: Tools and Techniques for Communities in British Columbia* is a practical guide for communities and organizations interested in applying for community forest licenses or launching community forestry programs. The publication includes information on governance structures, strategic and business planning, conflict management, budgeting, and evaluation."